

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re:

SARAH HOOVER,

Debtor.

Case No.: 19-42890-MJH

Adv. No. 20-04002-MJH

SARAH HOOVER,

Plaintiff,

v.

QUALITY LOAN SERVICE
CORPORATION OF WASHINGTON,
PHH MORTGAGE CORPORATION
D/B/A PHH MORTGAGE SERVICES,
HSBC BANK USA, N.A., AS TRUSTEE
OF THE FIELDSTONE MORTGAGE
INVESTMENT TRUST, SERIES 2006-2,
NEWREZ, LLC, AND IH6 PROPERTY
WASHINGTON, L.P. D/B/A INVITATION
HOMES,

Defendants.

DEFENDANTS PHH MORTGAGE
CORPORATION, HSBC BANK
USA, N.A., AS TRUSTEE OF THE
FIELDSTONE MORTGAGE
INVESTMENT TRUST, SERIES
2006-2 AND NEWREZ, LLC,'S
SECOND AMENDED ANSWER
AND AFFIRMATIVE DEFENSES
TO AMENDED COMPLAINT

1 Defendants PHH Mortgage Corporation (“PHH”), HSBC Bank USA, National
2 Association, as Trustee of the Fieldstone Mortgage Investment Trust, Series 2006-2 (the “Trust”)
3 and NewRez, LLC (“NewRez”; together with the Trust and PHH, the “Defendants”) answer
4 Plaintiff’s Amended Complaint [Dkt. 7] as follows:

5 **I. Jurisdiction and Venue**

6 1. Defendants admit that this Court has jurisdiction.

7 2. Defendants admit that this Court is the proper venue.

8 **II. Parties**

9 3. Defendants do not have sufficient information or knowledge to admit or deny the
10 allegations in paragraph 3 and therefore deny the same.

11 4. Defendants do not have sufficient information or knowledge to admit or deny the
12 allegations in paragraph 4 and therefore deny the same.

13 5. Admitted.

14 6. Admitted.

15 7. Defendants do not have sufficient information or knowledge to admit or deny the
16 allegations in paragraph 7 and therefore deny the same.

17 8. Denied. The Trust is a trustee. Admitted as to the location of HSBC Bank USA’s
18 principal executive office.

19 9. Denied. The relationship between the Trust and PHH is set forth in the power of attorney
20 provided from the Trust to PHH.

21 10. Admitted.

1 11. Defendants do not have sufficient information or knowledge to admit or deny the
2 allegations in paragraph 11 and therefore deny the same.

3 12. Defendants do not have sufficient information or knowledge to admit or deny the
4 allegations in paragraph 12 and therefore deny the same.

5 **III. Factual Background**

6 13. Defendants do not have sufficient information or knowledge to admit or deny the
7 allegations in paragraph 13 and therefore deny the same. PHH denies the allegation that it was
8 unwilling to work with Plaintiff.

9 14. Admit a foreclosure sale of the real property (the "Property") was scheduled for
10 September 13, 2019. The Court file speaks for itself. Otherwise, denied.

11 15. These allegations have already been determined by the Court, and therefore do not
12 require a response.

13 16. Defendants do not have sufficient information or knowledge to admit or deny the
14 allegations in paragraph 16 and therefore deny the same.

15 17. Admit.

16 18. Defendants do not have sufficient information or knowledge to admit or deny the
17 allegations in paragraph 18 and therefore deny the same.

18 19. Defendants do not have sufficient information or knowledge to admit or deny the
19 allegations in paragraph 19 and therefore deny the same.

20 20. Defendants do not have sufficient information or knowledge to admit or deny the
21 allegations in paragraph 20 and therefore deny the same.

1 21. Defendants do not have sufficient information or knowledge to admit or deny the
2 allegations in paragraph 21 and therefore deny the same.

3 22. Defendants admit that Ocwen Loan Servicing, LLC nka PHH is the servicer of the
4 Loan. Defendants further admit that payments were made on the Loan until 2018. Otherwise,
5 denied.

6 23. Denied.

7 24. The assumption documents Ocwen Loan Servicing, LLC and PHH circulated speak
8 for themselves and any responses thereto by Plaintiff or Leo Hoover also speak for themselves.
9 Otherwise, denied.

10 25. The Notice of Trustee's Sale speaks for itself. Any characterization of that Notice of
11 Trustee's Sale is therefore denied.

12 26. The documents Plaintiff sent relating to assumption of the Loan speak for themselves.
13 PHH fka Ocwen Loan Servicing, LLC was the servicer of the Loan in June 2019. Otherwise,
14 denied.

15 27. Denied.

16 28. Defendants admit that the foreclosure sale went forward. Otherwise, denied.

17 29. The documents informing Plaintiff that she had not submitted all required information
18 for an assumption speak for themselves as do the call records between Plaintiff and PHH or
19 Plaintiff and Ocwen Loan Servicing, LLC. Otherwise, denied.

20 30. Defendants do not have sufficient information or knowledge to admit or deny the
21 allegations in paragraph 30 and therefore deny the same.

1 31. Defendants do not have sufficient information or knowledge to admit or deny the
2 allegations in paragraph 31 and therefore deny the same.

3 32. Defendants do not have sufficient information or knowledge to admit or deny the
4 allegations in paragraph 32 and therefore deny the same.

5 33. Defendants do not have sufficient information or knowledge to admit or deny the
6 allegations in paragraph 33 and therefore deny the same.

7 34. Defendants do not have sufficient information or knowledge to admit or deny the
8 allegations in paragraph 34 and therefore deny the same.

9 35. The Court file speaks for itself. Otherwise, denied.

10 36. Admit the arrearage amount and the sale amount of the Property. Otherwise, denied.

11 37. The document referenced in Paragraph 37 speaks for itself although the version
12 attached as Exhibit B to the Amended Complaint does not include a time stamp for a fax.
13 Otherwise, denied.

14 38. Defendants do not have sufficient information or knowledge to admit or deny the
15 allegations in paragraph 38 and therefore deny the same.

16 39. Admit that PHH did not instruct Quality to postpone or cancel the sale. Admit the
17 Property was sold to IH6 Property. Otherwise, denied.

18 40. Defendants do not have sufficient information or knowledge to admit or deny the
19 allegations in paragraph 40 and therefore deny the same.

20 41. Defendants do not have sufficient information or knowledge to admit or deny the
21 allegations in paragraph 41 and therefore deny the same.

1 42. The document referenced in Paragraph 42 speaks for itself. Otherwise, Defendants do
2 not have sufficient information or knowledge to admit or deny the allegations in paragraph 42
3 and therefore deny the same.

4 43. Defendants admit that QLS issued the Trustee's Deed to IH6 Property on September
5 17, 2019. Otherwise, denied.

6 44. The document referenced in Paragraph 44 speaks for itself. Otherwise, Defendants do
7 not have sufficient information or knowledge to admit or deny the allegations in paragraph 44
8 and therefore deny the same.

9 45. Defendants do not have sufficient information or knowledge to admit or deny the
10 allegations in paragraph 45 and therefore deny the same.

11 46. Admit the sale generated a surplus in the amount of \$167,407.96. Otherwise,
12 Defendants do not have sufficient information or knowledge to admit or deny the allegations in
13 paragraph 46 and therefore deny the same.

14 47. Denied.

15 48. Defendants do not have sufficient information or knowledge to admit or deny the
16 allegations in paragraph 48 and therefore deny the same.

17 49. Defendants deny on the basis the averment is vague and does not appear to be asserting
18 a fact.

19 50. Defendants do not have sufficient information or knowledge to admit or deny the
20 allegations in paragraph 50 and therefore deny the same.

21 51. Defendants do not have sufficient information or knowledge to admit or deny the
22 allegations in paragraph 51 and therefore deny the same.

1 52. The letters referenced speak for themselves. Otherwise, denied.

2 53. Defendants do not have sufficient information or knowledge to admit or deny the
3 allegations in paragraph 53 and therefore deny the same.

4 54. Denied.

5 55. The document referenced in Paragraph 55 speaks for itself. Otherwise, denied.

6 56. Denied.

7 57. The Court file speaks for itself. Otherwise, denied.

8 58. Denied.

9 **IV. Causes of Action**

10 **Count I – Violation of the Automatic Stay**

11 59. Defendants reincorporate by reference its answers as set forth in paragraphs 1 through
12 58 above.

13 60. These allegations have already been determined by the Court, and therefore do not
14 require a response.

15 61. These allegations have already been determined at least in-part by the Court, and
16 therefore do not require a response. As to remaining allegations not determined by the Court,
17 denied.

18 62. Defendants do not have sufficient information or knowledge to admit or deny the
19 allegations in paragraph 62 and therefore deny the same.

20 63. Defendants do not have sufficient information or knowledge to admit or deny the
21 allegations in paragraph 63 and therefore deny the same.

1 4. Plaintiff is wholly or partially barred from seeking equitable relief under the
2 doctrine of unclean hands.

3 5. Plaintiff's damages are barred in part by the doctrine of laches.

4 6. Plaintiff's claims are in whole or part barred because Defendant and/or any agent's
5 conduct (if any) was, at most, the result of a bona fide error that was unintentional, clerical in
6 nature, and occurred in spite of reasonable procedures in place to avoid error.

7 7. Defendants' good faith compliance with the statutes, rules, and regulations which
8 govern the subject matter of this lawsuit, precludes in-part its liability to Plaintiff.

9 8. Defendants are not liable for the acts of independent contractors.

10 9. Defendants did not act or fail to act in a manner sufficient to give rise to
11 punitive/liquidated damages liability.

12 10. Defendants may not be held liable for punitive damages on a respondeat superior
13 theory of liability.

14 11. Any punitive damages awarded, if any, is limited by applicable provisions of the
15 United States Constitution, Washington state law, and established due process rights.

16 12. Defendants reserve the right to add any further affirmative defenses.

17 **DATED:** March 8, 2024

HOUSER LLP

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19 By: s/ Emilie K. Edling
20 Emilie K. Edling WSBA 45042
21 eedling@houser-law.com
22 10260 SW Greenburg Rd., Suite 400
23 Portland, OR 97223
Telephone: (503) 914-1382
Attorneys for PHH Mortgage Corporation,

*NewRez LLC, and HSBC Bank USA, N.A., as
Trustee of the Fieldstone Mortgage
Investment Trust, Series 2006-2*

CERTIFICATE OF SERVICE

I, the undersigned, declare as follows: I am over the age of 21 years and am not a party to this action. March 8, 2024, I served the foregoing document(s): DEFENDANTS PHH MORTGAGE CORPORATION, HSBC BANK USA, N.A., AS TRUSTEE OF THE FIELDSTONE MORTGAGE INVESTMENT TRUST, SERIES 2006-2 AND NEWREZ, LLC,'S SECOND AMENDED ANSWER AND AFFIRMATIVE DEFENSES TO AMENDED COMPLAINT, in the manner described below:

Christina L. Henry
Henry & Degraaff, P.S.
787 Maynard Ave S., Suite B
Seattle, WA 98104
chenry@hdm-legal.com
Counsel for Plaintiff/Debtor

☐ U.S. Mail, Postage Prepaid
☐ E-mail
☐ UPS Next Day Air
☐ UPS 2nd Day Air
☒ CM/ECF

Jason D. Anderson, WSBA# 38014
207B Sunset Blvd N
Renton, WA 98057
jason@alkc.net
Attorneys for Plaintiff/Debtor

☐ U.S. Mail, Postage Prepaid
☐ E-mail
☐ UPS Next Day Air
☐ UPS 2nd Day Air
☒ CM/ECF

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: March 8, 2024

/s/ Taylor Duffin
Taylor Duffin